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(1948) Department.

MS SERIES.

G.O. No. 1388 Education

Dated 29.5.1948.

[Despatch Abstract.]

Allowance - Teachers - Staff in aided Educational Institutions - Payment at the reduced rates from 1-1-48 - Expenditure to be admitted for grant-in-aid sanctioned

GOVERNMENT OF MADRAS.
Abstract.

Allowance - Dearness - Staff in aided educational institutions - Payment at the revised rates from 1.1.1948 - Expenditure to be admitted for grant - Orders passed.

EDUCATION AND PUBLIC HEALTH DEPARTMENT

G.O. Ms. No. 1388, Education. Dated the 29th May 1948.

Read:-

F46
G.O. Ms. No. 1854, Education, dated 10.1.1945.

Order:-

The expenditure incurred by managements of educational institutions aided under the Grant-in-Aid Code and the Code of Regulations for European Schools on payment of dearness allowance to the members of the staff at rates not exceeding the rates admissible to Government servants prior to 1.1.1948 is now taken into account in assessing the teaching grants payable to them under the provisions of the Code. The Government have considered the questionwhether the revised rates of dearness allowance allowed to Government servants from 1.1.1948 should be allowed to the members of staff in these aided educational institut: and have decided (1) that the managements of aided educational institutions should be permitted to pay dearness allowance to the staf: at the revised rates retrospectively from 1.1.1948 and (2) that the expenditure incurred by them on payment of the allowance at rates not exceeding the revised rates should be taken into account in assessing the teaching grants payable to them for 1948-49 and subsequent years. The grant will be limited to one half of the expenditure incurred on payment of dearness allowance to the staff in educational institutions aided under the Grants-in-Aid Code and will be payable only to those institutions which worked at a deficit. The arrangement will remain in force so long as the scheme of dearness allowa nce for Government servants is in operation.

2. The Director of Public Instruction is requested to instruct the managements of aided educational institutions to grant to the members of their staff dearness allowance at the revised rates shown in the Annexure r etrospectively from 1.1.1948 and to inform them that the expenditure incurred on that account in the current year will be taken into account when a ssessing the teaching grant for 1948-49 in 1949-50.

(By Order of His Excellency the Governor).

M.V. Subramanian,
Secretary to Government.

To

The Director of Public Instruction.
The Accountant-General, Madras, through the Finance Department.
The Director of Information & Publicity.

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ANNEXURE.

Pay group.	Rate per mensem.
1. Government s ervant on pay not exceeding Rs. 20.	18.
2. Government servants on pay exceeding Rs. 20/- but below Rs. 40.	19.
3. Government servants on pay of Rs. 40.	21.

Pay group	Rate per mensem.
4. Government servants on pay exceeding Rs. 40 but not exceeding Rs. 60.	22.
5. Government servants on pay exceeding Rs. 60 but not exceeding Rs. 100-	24.
6. Government servants on pay exceeding Rs. 100 but not exceeding Rs. 200.	17½ per cent of pay plus an addition sum of Rs. 8/- per mensem.
7. Government servants on pay exceeding Rs. 200/- but not exceeding Rs. 300.	17½ per cent of pay plus an additional sum of Rs. 6/- per mensem.

Note:- Officers drawing over Rs. 200 ~~/-~~ but below Rs. 205/- will be allowed to draw dearness allowa nce at the rate applicable to group (6) if they find it more advantageous.

8. All other Government servants on pay exceeding Rs. 300/- but not exceeding Rs. 400.	17½ per cent of pay (existing rate).

Note:- Officers drawing over Rs. 300/- but below Rs. 305/- will be allowed to draw dearness allowance at the rate applicable to group (7) if they find it more advantageous.

9. Government servants on pay exceeding Rs. 400/- but not exceeding Rs. 500.	Rs. 70.
10. Government servants on pay exceeding Rs. 500/- but not exceeding Rs. 750/-.	Rs. 85.
11 . Government servants on pay exceeding Rs. 750/- but not exceeding Rs. 1,000.	Rs. 100.

Note:- Officers on pay over Rs. 1,000 but under Rs. 1,000 will be allowed an allowance which will bring their total emoluments to Rs. 1,100. Those above this pay limit will cease to draw any dearness allowance.

12. In the case of unmarried officers drawing Rs. 250/- and over, the dearness allowance allowance will be restricted to 10 per cent of pay subject to a maximum of Rs. 75.

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GOVERNMENT OF MADRAS.
Education and Public Health Department.

Post copy of telephonic message dated 17.8.1948 from the Secretary, Education and Public Health Department to the Director of Public Instruction, Madras

Reference your telephonic message 9by post) dated 30.7.1948 regarding secondary schools under aided managements - Financial statement for 1947-48 - Calculation of grant towards expenditure on dearness allowance.

...

The expenditure on dearness allowance should be treated as an approved item of expenditure and taken into account for deciding whether the school worked at a deficit or at a profit during the year for which the grant is claimed and after this is settled, the code grant should be calculated with reference to the net cost excluding the expenditure on dearness allowance on the basis of one-half or two thirds as the case may be and the grant towards dearness allowance should be calculated

separately on the basis of one half of the expenditure actually incurred on payment of the allowance and add ed to the teaching grant, payable to the institution.

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/True copy/

Office Assistant,
Madras Record Office.

k.y.s.

EDUCATION & PUBLIC HEALTH DEPARTMENT

NOTE FOR THE CABINET

Sub:- Grants to aided educational institutions towards the payment of dearness allowance to the staff at the revised rates allowed to Government servants from 1.1.48.

In November 1945, the Government directed that the expenditure incurred by managements of Educational institutions aided under the Grant-in-Aid Code and the Code of Regulations for European Schools on payment of dearness allowance to the members of the staff at rates not exceeding those admissble to Government servants should be taken into account in assessing the teaching grants payable to them under the provisions of the codes. The grant is limited to one half of the expenditure incurred on payment of the allowance and is payable only to those institutions which worked at a deficit. The arrangement is to remain in force so long as the scheme of dearness allowance for Government servants is in operation. In the case of those managements which do not pay the allowance to the members of the staff at Government rates, the Government are giving a special grant equal to half the difference between the maximum amount of dearness allowance admissible at Government rates and the amount of dearness allowance actually paid by the managements subject to the condition that the managements should disburse to the staff the amount of allowance due out of the special grant so that the Government's liability to meet one half of the expenditure on payment of dearness allowance to the staff in aided educational institution at Government rates may be discharged in full. The Director of Public Instruction has been authorised to investigate into the financial position of every management which is not paying dearness allowance at Government rates if the financial position of the management will permit the payment of the allowance in full.

2. It is now proposed to allow to the staff in aided educational institutions, the revised rates of dearness allowance sanctioned to Government servants from 1.1.1948.

3. The matter was placed before the Standing Finance Committee at its meeting held on the 17th March 1948. In the note for the Committee the extra cost to Government by way of teaching grant on account of the adoption by the managements of aided institutions of the revised rates of dearness allowance was shown as follows in the summary.

		Ultimate cost. Recurring.	Cost in the year of introduction. Recurring.
Teaching grants to Non-Government Arts and Professional Colleges Non-Government Secondary and Special Schools - General.	Total.	Rs. 7,52,360	Rs. 1,88,090.
Teaching grants to Non-Government Secondary Schools, Primary schools and Special Schools - European.	Total.	Rs. 1,91,390	Rs. 47,850.

It was explained that there would be no extra expenditure in 1947-48 or in 1948-49 as the additional amount of allowance payable to the members of the staff from 1.1.1948 will actually be disbursed in 1948-49 rendering the managements eligible for grant in 1949-50 only, and that the cost in the year of introduction shown above represented the amount payable for the three months in

1947-48. The Committee approved the proposal and decided that it should go before the Cabinet. According to this estimate the grant payable in 1949-50 would be Rs. 8,77,750/- in respect of institutions aided under the Grant-in-Aid Code and Rs. 2,23,290 in respect of institutions aided under the Code of Regulations for European Schools, i.e. Rs. 11,01,040 on the whole.

4. The case was accordingly circulated to the Hon'ble Premier through the H.M. (Education) for orders whether the subject might be included for the next meeting of the Cabinet. The Hon'ble Premier minuted as follows:-

"The Standing Finance Committee approved this presumably without taking the ultimate cost into account, I find that the extra cost in 1949-50 will be about Rs. 8,77,750/-. If this is correct the decision of the Standing Finance Committee should be revised".

O.P. Ramaswami Reddiar,
23.3.48.

5. In estimating the ultimate cost to Government, the D.P.I. calculated the grant towards dearness allowance to the staff in aided secondary schools at two-thirds net cost basis. As the Government's liability in this regard is limited to half the cost at Government rates, the estimate had to be revised. The cost in respect of dearness allowance for the staff in school aided under the Code of Regulations for European Schools had also to be revised with reference to the actuals for 1946-47. The matter was therefore placed again before the Standing Finance Committee on 17.4.1949 with a revised estimate of cost as shown below:-

	Ultimate cost Recurring.	Cost in 1949-50. Recurring.	Cost as per figures furnished in the original S.F.C. note. Ultimate cost.	Cost in 1949-50.
Institutions aided under the Grant-in-Aid Code.	5,70,190	6,65,210	7,52,360	8,77,750.
Institutions aided under the Code of Regulations for European Schools.	1,89,110	2,20,690	1,91,390	2,23,290.
Total.	7,59,300	8,85,900	9,43,750	11,01,040.

The Committee approved the proposal as shown in the modified figures.

6. The point for consideration is whether payment of dearness allowance at the revised rates may be allowed to the staff in non-Government educational institutions aided under the Grant-in-Aid Code and the Code of Regulations for European Schools with effect from 1.1.1948 as in the case of Government servants and the expenditure that may be incurred on that account may be taken into account in assessing the teaching grants payable to those institutions under those Codes for 1947-48 and subsequent years. It is considered that orders in this regard should be issued soon so that there may be no agitation from teachers over this matter.

x x x
20.4.48.

.V.S.
21.4.48.

PUBLIC (SPECIAL) DEPARTMENT

Hon'ble Premier has ordered that the subject of this fil may be discussed at the next meeting of the Council of Ministers The date of the next meeting will be fixed intimated separately. The file may now be returned to the Education and Public Health Department.

V.K. Rao,
26.4.48

K.R.M.
26.4.

This may lie over till the date of next meeting.

x x x
26.4.

H.M. (Education) may see for information.

M.V.S.
26.4.

H.M. (Education) T.S.A.
27.4.

Please see the notes of Public (Special) Department and the orders in circulation above. It is learnt that the next meeting of the Cabinet is to take place on 18.5.1948. The file may be sent to Public (Special) U.O. for use at the meeting.

x x x
11.5 .

Please see the Cabinet decision at page 27 c.f. A draft order is submitted for approval. Finance may see before issue.

x x x
27.5.

FINANCE DEPARTMENT

(Last Finance's note on page 34 above).

Please see the order of the Cabinet on page 27 c.f. The draft order below may be accepted and the case returned to Education and Public Health.

x x x
28.5.

x x x
28.5.

EDUCATION & PUBLIC HEALTH DEPTT.

Draft may issue.

x x x
28.5.

M.V.S.
28.5.

EDUCATION AND PUBLIC HEALTH DEPARTMENT

Allowance - Dearness - Staff in aided educational institutions - Expenditure - Assessment of grant - Clarification or orders.

From the D.P.I. Post copy of T.M. dated 28.7.1948 and 30.7.1948.

In G.O. No. 1388, Education, dated 29.5.1948, the Government directed that the expenditure incurred by the managements of aided secondary schools on payment of dearness allowance to the members of the staff at rates not exceeding the revised rates applicable to Government servants from 1.1.1948 should be taken into account in assessing the ~~g~~ teaching grant payable to them for 1948-49 and subsequent years, that the grant for this item should be limited to one half of the expenditure incurred on payment of the allowance and paid only to those institutions which worked at a deficit. With reference to this order, the D.P.I. points out that if the grant is assessed with reference to the net cost arrived at without excluding the expenditure on dearness allowance, the amount of grant payable will be less than the amount payable if expenditure on dearness allowance is excluded and grant on it is calculated separately and that the management will be benefited if the grant on the expenditure on dearness allowance is calculated separately as per G.O. No. 1388, Education, dated 29.5.1948. The intention of Govt. is that the managements should be compensated to the extent of one half of the expenditure incurred on payment of dearness allowance and that the Government's liability in this regard should be discharged in full. This object will not be served if the expenditure on payment of dearness allowance is not excluded and grant on it is not calculated separately. In the first example cited by the D.P.I. the management will get a grant of Rs. 500/- only against an expenditure of Rs. 2,000/- on payment of dearness allowance alone and in the second example Rs. 2/- only. It seems therefore that the grant on dearness allowance should be calculated separately. The code grant should be calculated with reference to the net cost excluding the expenditure on dearness allowance on the basis of one half or two thirds as the case may be. The D.P.I. may be informed accordingly. For purposes of illustration, the D.P.I. has cited a case where the difference between the fee income and the expenditure on the maintenance of the school is small. The position will be different in a majority of cases. For example in a case where the difference between the income and expenditure is greater than the expenditure on dearness allowance, the management will get the code grant plus the grant towards expenditure on dearness allowance. For example

Fee income.	Rs. 25,000.
Expenditure other than dearness allowance.	Rs. 30,000.
Dearness allowance.	Rs. 2,000.
Total.	Rs. 32,000.
Deficit.	Rs. 7,000.

The grant payable in this case, will be 2/3 of Rs. 5,000 (Rs. 30,000 - Rs. 25,000). i.e. half of Rs. 2,000.

Finance may see, for remarks, if any before a reply is given.

x x x

4.8.

M.V.S.

FINANCE DEPARTMENT

Please see the note of E.P.H. on pages 1-2 above.

2. Finance may agree with the views of Education and Public Health Department on pages 1-2 above - compare the note on pages 35-36 n.f. in G.O. No. 1388, Education, dated 29.5.1946 at flag (R).

x x x

12.8.

K.V.

13.8.

T.N.S.R.

13.8.

EDUCATION AND PUBLIC HEALTH DEPARTMENT

Please see the Finance Department's note on page 2 ante. They have agreed with the views of this Department in regard to the payment of grant for expenditure on dearness allowance.

A draft T.M. is submitted below for approval. After issue, the papers may be filed with G.O. No. 1388, Education, dated 29.5.1948.

x x x

16.8.

M.V.S.

17.8.

.....

/True copy/

S. Jeeyanthan 66
Office Assistant,
Madras Record Office.

k.y.s.